

**ONLINE SUBMISSION DETAILS**

<b>Date Received</b>	08/03/2017
<b>Name</b>	██████████
<b>Organisation</b>	Victorian Association of Forest Industries
<b>Email</b>	████████████████████
<b>Postcode</b>	
<b>Privacy Options</b>	I am making this submission on behalf of an organisation, and understand that it may be published and will include the name of the organisation unless otherwise requested
<b>Privacy Statement Correct?</b>	Yes
<b>Privacy Collection Notice Read?</b>	Yes
<b>Submission Type</b>	Industry peak body
<b>Previous engagement in review?</b>	<b>Info session 2015</b>
	<b>Workshop 2015/16</b>
	<b>Targetted consultation</b>
	<b>SRG</b>
	<b>Written submission to CP?</b>
<b>Other? Describe</b>	
<b>Will changes improve function of regs?</b>	
<b>Reasons</b>	
<b>Implementation issue with proposed changes?</b>	
<b>Reasons</b>	
<b>Guidelines – guidance or clarification needed?</b>	Yes
<b>Details</b>	Procedure and requirements for offsets for native timber harvesting (draft Assessment Guidelines, Section 6.3) needs clarification on several points. See attached submission for details.
<b>Terms to include in guidelines glossary?</b>	
<b>Details</b>	
<b>Subscribe to e-newsletter?</b>	Yes. Please send information updates to my email address
<b>Other comments</b>	
<b>Written submission provided?</b>	Yes

## **SUBMISSION**

### Review of the native vegetation clearing regulations: Outcomes Report

March 2017

## Executive summary

The Victorian Association of Forest Industries (VAFI) appreciates the opportunity to comment on the *Review of the Native Vegetation Clearing Regulations: Outcomes Report*. In an earlier submission to the review, VAFI noted that the existing regulations consistently conflate sustainable timber harvesting with permanent land clearing, requiring landowners to purchase costly third party offsets in applications for harvesting operations. This approach made the regulations an effective barrier to timber harvesting on private land and, consequently, discouraged sustainable forest management.

VAFI supports, therefore, the proposed introduction of provisions for listed harvesting applications, including thinning and selective harvesting, to meet offset requirements through same-site regeneration. This is a significant change that recognises the distinct nature of forest harvesting and management and has the potential to encourage private silviculture and its associated landscape benefits.

However, there are several points in the draft Assessment Guidelines where the full procedural requirements for making a listed harvesting application are unclear or not stated. These ambiguities may discourage submissions from landholders. As such, VAFI urges the Department of Environment, Land, Water and Planning (DELWP) to address and clarify the following issues:

- **Property Vegetation Plans (PVP)**  
VAFI recommends that a draft of a proposed PVP template be released as soon as possible to stakeholders for comment.
- **Specified standards for same-site regeneration**  
Clarify specified regeneration standards, which should be consistent existing standards under the Code of Practice.
- **Requirement to avoid and minimise impacts**  
Impact avoidance actions should be consistent with Code of Practice requirements and incorporated into the PVP.
- **Large Trees**  
Clarify the guidance on large trees for listed harvesting applications. The proposed threshold is restrictive to timber harvesting and should be consistent with public land guidelines on large trees.

VAFI supports actions that will facilitate private native forestry and recommends that all commercial forestry should be governed by a regulatory system that is coherent across private and public land, and consistent with the Code of Practice for Timber Production (Code of Practice).

## About the Victorian forest, fibre and wood products industry

The forest, fibre and wood products industry is a vital industry for Victoria and a key contributor to the state's economy. The industry is a major driver of economic activity and jobs in Victoria, generating \$7 billion in sales and service income annually.<sup>1</sup> Much of the income generated by the industry remains in local communities, particularly so in rural and regional Victoria.

Throughout the State, the industry directly employs approximately 21,000 people. Around 90% of these directly employed workers are in primary and secondary processing roles; essentially timber manufacturing applications, such as appearance product manufacturers, furniture manufacturers, and timber fabricators.

Indirectly, the industry also supports a further 40,000 to 50,000 jobs through flow on economic activity. This includes value-adding roles, such as the nearly 10,000 people who work making timber furniture, cabinetry and in joinery manufacturing.<sup>2</sup>

For Victoria's industry to best position itself to meet future market demand, both nationally and internationally, there is an immediate and ongoing need for consistent policy settings, at the local, state and national levels. Forestry is a long-term business and needs the security of a long-term vision to be a strong, viable and sustainable industry. Security of resource is paramount for a successful industry in short-, medium- and long-term.

## About VAFI

VAFI is the peak employer representative body for the Victorian forest, fibre and wood products industry. VAFI represents the entire lifecycle of forestry and wood products, including forest owners and growers, harvest and haul businesses, wood and paper processors, manufacturers and associated businesses across both the native forest and plantations sectors. We support and encourage best practice in industry and forest management.

The long-term vision for the forest, fibre and wood products industry in Victoria is that of growth, stability and sustainability. The forest, fibre and wood products industry is a 21<sup>st</sup> century employer and wealth generator. It is a sunrise, not a sunset industry. What the industry needs from all levels of government – national, state and local – is clarity and consistency in policy positions and decisions that support the long-term future of the forest, fibre and wood products industry.

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<sup>1</sup> ABS (2016) 8155.0 Australian Industry, 2014-15

<sup>2</sup> Schirmer, J (2010) *Socio-economic characteristics of Victoria's forestry industries*

## Background

In May 2016, VAFI submitted feedback to DELWP on the review of native vegetation regulations.

VAFI supported the following elements of the consultation paper:

- **Proposed Improvements 2 and 3** – Developing guidance for improving consistency of decision making across Victoria.
- **Proposed Improvement 4** – Improved monitoring of offset outcomes, noting that reporting costs should not be passed on to landowners or managers.
- **Proposed Improvement 12** – Improved accuracy of habitat information, stressing the necessity of appropriate on-site verification.
- **Proposed Improvements 16 -17** – Removal of barriers to entering the offset market and reduced administrative burdens, stressing again that cost of developing such systems should be met by the government and not passed on to landholders.
- **Proposed Improvement 19** – Changes to revegetation standards should be compatible with the mandatory actions for regeneration in the *Code of Practice*.
- **Proposed Improvements 22-24** – Improve clarity, guidance and consistency in the exemption process, while maintaining existing plantation management exemptions.

While the current Biodiversity Assessment Guidelines contain provisions for meeting offset requirements through on-site regeneration, this option was only available through the general offset pathway which, in practice, is not available to the majority of landowners. Consequently, offset requirements could only be met by purchasing third party offsets, often at a cost substantially in excess of the value of the harvested timber.

In practice, therefore, the current Biodiversity Assessment Guidelines prevent any meaningful native forest management on private land.

VAFI's key recommendations to address this problem were:

- A clear distinction between removal of native vegetation for new land uses and sustainable timber harvesting;
- Harvesting should be clearly defined as an activity with a lower impact on habitat condition and long-term biodiversity values and allocated to a lower-risk assessment pathway when determining offset requirements; and
- In the long-term, commercial forestry and harvesting should be governed by a state-wide system for private and public land regulated through the Code of Practice.

## The potential of private native forestry

Private forests currently represent a very small proportion of resources for the forest, fibre and wood products industry Victoria, largely due to the current regulations. The full extent of unavailable resource is poorly documented but private native forests represent approximately 13% of all native forest and, during the period 1997-2007, supplied an average of 10% of the total volume of sawlogs in Victoria.<sup>3</sup> Private forests therefore have the potential to sustainably supply a proportion of demand for wood product if governed consistently across public and private land tenures.

The benefits of such a system in Victoria include:

- Consistent, cross-tenure management of harvested native forests;
- Consistent application of management rules across the state;
- Improved strategic management of biodiversity values at the state level;
- Allowing harvesting from private land would reduce resource pressure on public forests; and
- Allowing private forests to be managed for timber would encourage investment in native forest management and plantation creation.

The draft Assessment Guidelines contain alternative arrangements for meeting offset obligations in applications for native forest timber harvesting (*Section 6.3*). This alternative arrangement is a significant change from the existing Biodiversity Assessment Guidelines. The recognition of low-impact activities such as thinning and selective harvesting will allow landholders to actively manage their land to improve economic and environmental value.

Ultimately, VAFI's position is that commercial forestry should be governed by an overarching regulatory system for private and public land consistent with the Code of Practice.

**VAFI supports, therefore, the introduction of an alternative permit pathway allowing harvested forests to be regenerated at the same site. The proposed area thresholds for harvesting and management activities are unlikely to constitute a significant barrier to applications.**

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<sup>3</sup> Rural Industries Research and Development Corporation (2009) The Role, Values and Potential of Australia's Private Native Forests. RIRC Publication 09/049

## Draft Assessment Guidelines

As currently drafted, there several points in the Assessment Guidelines where it is unclear how the process for listed harvesting applications is distinct from permanent clearing applications. This problem is compounded because the proposed template for Property Vegetation Plans (PVP) has not been released for comment.

These ambiguities may cause some landholders to conclude that they will be required to follow an identical assessment process to projects that will permanently remove native vegetation. Any assumption of high levels of cost or administrative burden are likely to discourage a portion of landholders.

VAFI's position is that the regulations should provide, as far is practical, a straightforward and clearly understood approval procedure for private forestry. As such, VAFI urges DELWP to address and clarify the following issues.

## Property Vegetation Plans

Because the template for the mandatory PVP is not yet publicly available, VAFI cannot offer comment on this aspect of the proposed changes. The draft Assessment Guidelines state that an application to undertake a listed forestry activity must be supported by an "approved Property Vegetation Plan" which can also act as a Timber Harvest Plan (THP) under the Code of Practice.

**VAFI recommends that any proposed PVP template should be:**

- **Released as a draft to stakeholders for comment before adoption; and**
- **Be consistent with Timber Harvesting Plans requirements.**

Plantation managers are already required by the Code of Practice to submit THPs to local authorities. In practice, the industry has experienced substantial variations in resourcing, expertise and outcomes between councils in response to these plans and other harvesting and management activities. Councils that oversee historically high levels of forestry activity are generally better equipped to assess and process THPs. There is a risk, therefore, that responses to listed harvesting applications will be inconsistent across the state.

**VAFI recommends that resources and guidance for decision making developed by DELWP should clearly cover criteria and issues specific to PVP submissions with listed harvesting applications.**

## Specified standard for same-site regeneration

The existing 2013 Biodiversity Assessment Guidelines prevented commercial harvesting in practice (see previous VAFI submission). Despite this, the document contained clear guidance on the expected on-site regeneration standards for timber harvesting through the general offset pathway.

VAFI notes that comparable guidance, specific to timber harvesting, is not included in the draft 2016 Assessment Guidelines. The draft Guidelines state that listed applications for timber harvesting are eligible to “*meet all offset requirements via regeneration to the **specified standard***” (emphasis added).

In the absence of further clarification, this wording implies that the “specified standard” for regeneration is the same as that defined for any permanent removal under either general or specific offset standards. These are:

- General offsets – general biodiversity score x 1.5
- Specific offsets – specific biodiversity score x 2

In both scenarios, a landowner applying to harvest native timber would be required to not only regenerate the harvested area, but also to plant extensive additional land with new trees. This requirement would render most planned harvesting applications unfeasible in terms of financial cost and available land area.

VAFI’s position is that mandating the creation of new forested area exceeds the revised objective of the regulations “*no net loss of the contribution made by native vegetation to Victoria’s biodiversity*”. Regeneration standards outlined by the *Management Standards and Procedures*<sup>4</sup> under the Code of Practice are intended to maintain the contribution of forests to Victorian biodiversity and would be adequate to meet the legislative objective.

**VAFI recommends that regeneration standards and practices for listed harvesting applications should be consistent with Code of Practice obligations and approved as part of the Property Vegetation Plan.**

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<sup>4</sup> *Management Standards and Procedures for timber harvesting operations in Victoria’s State forests 2014*. Section 9

## Requirement to avoid and minimise impacts

In the draft Assessment Guidelines, any application that covers an area greater than 0.5 hectares will fall under the detailed assessment pathway, regardless of location. This area threshold is likely to be exceeded by most harvesting applications. The implication of the draft Assessment Guidelines is, therefore, that harvesting applications will be required steps to demonstrate avoidance and minimisation of impacts outlined under a detailed assessment.

This requirement is inconsistent with, and exceeds, the mandatory actions required under the Code of Practice. Furthermore, reference to steps required as per Section 4.6.1 continues to conflate tree harvesting with permanent vegetation removal and are therefore fundamentally inconsistent with sustainable forest management practices.

**VAFI recommends therefore that the new Assessment Guidelines should, at a minimum, clearly outline the impact minimisation actions required for harvesting and clarify where these differ from removal projects. VAFI's preferred position is that project approval can be granted based on demonstrated compliance with the Code of Practice, outlined in a submitted PVP.**

## Large Trees

A significant proposed change to the regulations is the inclusion of provisions to prevent the permanent removal of large trees, as defined by Ecological Vegetation Class (EVC) benchmarks. If, as implied by the impact minimisation process (see above), large trees must be considered as part of avoidance and minimisation requirements for listed harvesting applications, there are several potential problems created by this new measure.

VAFI recognises the importance of large and old trees as habitat for multiple forest species, however the size threshold proposed in the draft Assessment Guidelines is too low. In the Strzelecki Ranges the EVC large tree threshold is 70cm diameter at breast height (DBH). Trees at this size and below are not commercially viable to harvest for sawlogs. Restricting the harvest of large trees at level would effectively prevent high value production and limit commercial activity on private land to harvesting for lower value pulp and woodchip. This, in turn, reduces economic incentives for active forest management by landowners. VicForests have instructions to forest operators for preventing the loss of large trees, these set the threshold for large trees at 3m DBH, and tall trees at 85m in height.<sup>5</sup> This policy acts to retain trees with high ecological value, while allowing commercial harvesting to occur.

**VAFI recommends that a consistent approach to forestry is maintained across private and public land, and that projects seeking the forestry pathway are required to meet VicForests standards for retaining large and tall trees.**

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<sup>5</sup> VicForests (2016) Giant, Tall and Other Large Tree Protection Instruction